

## **BOROUGH OF KETTERING**

### **MONITORING AND AUDIT COMMITTEE**

**Meeting held: 21<sup>st</sup> May 2019**

**Present:** Councillor Mick Scrimshaw (Chair)  
Councillors Jenny Henson, Paul Marks, Margaret Talbot and Mike Tebbutt

**Also Present:** Cllr Lloyd Bunday (Portfolio Holder for Finance)  
Lisa Hyde (Executive Director)  
Mark Dickenson (Head of Resources)  
John Conway (Head of Housing)  
Jo Haines (Group Accountant)  
Dean Mitchell (Group Accountant)  
Neil Harris (EY)  
Mark Watkins (CWAS)  
David Pope (Committee Administrator)

#### **19.MA.01 ELECTION OF CHAIR**

In the absence of both the Chair and Deputy Chair, an election took place for the position of Chair for the meeting. Cllr Paul Marks nominated and Cllr Mike Tebbutt seconded that Cllr Mick Scrimshaw be elected as Chair for the meeting.

#### **19.MA.02 APOLOGIES**

Apologies were received from the Chair, Cllr Jonathan West as well as Councillors Ash Davies, Anne Lee and Greg Titcombe.

It was noted that Cllr Mick Scrimshaw was acting as substitute for Cllr West and Cllr Talbot was acting as substitute for Cllr Titcombe.

#### **19.MA.03 MINUTES**

**RESOLVED** that the minutes of the meeting of the Monitoring and Audit Committee held on 10<sup>th</sup> April 2019 were approved as a correct record and signed by the Chair.

#### **19.MA.04     DECLARATIONS OF INTEREST**

Cllr Scrimshaw declared a personal interest in Item 11 as a Trustee of KCU. Cllr Scrimshaw also declared a personal interest in Item 13(i) as a member of the Asset Management Board.

Cllr Tebbutt declared a personal interest in Item 11 as a supporter of Marlow House.

#### **19.MA.05     EXTERNAL AUDIT – AUDIT PLAN UPDATE**

A report was submitted which provided the Committee with an update on the timing of the 2018/19 final accounts audit.

Neil Harris from EY attended the meeting and referenced a letter sent to the Chief Financial Officers (CFO) of six authorities in the county that outlined the audit responsibilities of both EY and the authorities. The meeting heard that due to staff turnover and challenges faced by EY, and to safeguard the quality of the audits, it had become necessary to propose rescheduling of the audit timetable across the six authorities.

The proposal would see the audits undertaken between August and September with an aim to conclude the process early in September. Discussions had been held with KBC's CFO to allow for Value for Money audit work to be completed before the end of July, with an update being provided to the Committee.

EY acknowledged that the situation was unfortunate and apologised for the delay but considered that the quality of the audit work was paramount and there was confidence the new timeline could be adhered to.

It was heard that EY was actively exploring all options to mitigate the staffing position via recruitment with an aim to put a team in place that would provide continuity and consistency into the following year's audit process.

Members asked questions in relation to financial implications for the council, the potential to any further slippage to audit timetables and whether auditors were CIPFA qualified.

**RESOLVED**             that the Monitoring & Committee noted the delayed timeframe for the audit of the 2018/19 Statement of Accounts.

## **19.MA.06**     **INTERNAL AUDIT ANNUAL REPORT – 2018-19**

A report was submitted which presented the Annual Internal Audit Report from the Council's Internal Auditors in compliance with the requirements of the Accounts and Audit (England) Regulations 2011 which required the Head of Internal Audit to provide an opinion on the work undertaken by Internal Audit.

Mark Watkins from Coventry and Warwickshire Audit Services (CWAS) was welcomed to the meeting.

Members noted that the Internal Audit Opinion was based on the results of audit work carried out during 2018/19. The Internal Audit Opinion was used to inform any significant weaknesses that should be regarded as Significant Control Issues that would require disclosure in the Annual Governance Statement. The work undertaken for 2018/19 had not highlighted any weaknesses that would require disclosure.

Mr Watkins indicated that overall, significant assurance could be provided that the council's systems and controls were operating effectively to mitigate risks impacting against the delivery of key objectives.

It was heard that there were four areas of the council's systems where only moderate or limited assurance could be provided:

- Procurement
- Health & Safety
- Business Continuity
- Homelessness

Key issues for the areas were summarised and it was noted that all Internal Audit recommendations in relation to these areas were currently being reviewed in relation to necessary improvements. However, although there were areas for improvement, members could be confident in the overall operation of the council's systems.

The committee noted a summary of the audits undertaken during the previous year and heard that of these, nine had received full assurance. This was a reflection of the stability of some the council's key systems and the positive manner in which internal audit recommendations were responded to by senior management.

**RESOLVED**                    that the Monitoring & Audit Committee received the Internal Audit Report for 2018/19.

## **19.MA.07 ANNUAL GOVERNANCE STATEMENT**

A report was submitted requesting the committee receive and endorse the Annual Governance Statement (AGS) for 2018/19 which would be incorporated into the council's Statement of Accounts for 2018/19.

The six core principles of good governance were outlined to the committee, which was asked to consider whether:-

- The process for producing the AGS was effective
- The AGS adopted the six core principles effectively; and
- Were KBC's governance arrangements robust

The committee asked questions in regard to the adoption date for the revised Anti-fraud and Corruption Policy and the implementation of the new Modern.Gov committee management system.

**RESOLVED** that:-

- (i) the Monitoring and Audit Committee's role in the Annual Governance Statement process be noted; and
- (ii) the Annual Governance Statement for 2018/19 be endorsed.

## **19.MA.08 KEY UPDATES - ASSET MANAGEMENT**

The Portfolio Holder for Finance, Cllr Lloyd Bunday attended the meeting at the invitation of the Chair, Cllr Jonathan West following the discussion of the topic at the previous meeting of the Committee.

Cllr Bunday considered that the officer presentation at the previous meeting had provided a robust explanation of the process the Council went through in making decisions to acquire assets.

Questions were asked in relation to the Local Government Association Statutory Guidance on Local Government Investments. It was heard that the guidance had come into being on 1<sup>st</sup> April 2018 and had to be considered but local authorities were able to deviate from it. KBC's property investment strategy had been adopted in April 2017 and a number of council's had borrowed significantly to invest in commercial activities with the activity of undertaking investments not being new to the public sector.

Cllr Bunday stated that many council's had adopted very similar methodology to KBC when considering investments and income

generated by KBC's investments would assist in achieving a balanced budget without resorting to cuts to frontline services or major increases in council tax. All recommendations made by the Asset Management Board were taken to the Executive Committee and full Council which illustrated the robustness of the system.

Cllr Bunday was thanked for his attendance.

#### **19.MA.09 VOLUNTARY SECTOR SLA MONITORING**

Members received the Voluntary Sector SLA Monitoring figures for 2018/19 Q4. It was noted that a more detailed breakdown would be supplied to the next meeting of the Committee with additional information relating to individual organisations and their current SLA positions

Missing figures relating to the SLA for Debt and Money Advice were supplied to the meeting.

Questions were asked in relation to Community Watch figures and the number of organisations currently supported by the County Council. This information would be supplied outside the meeting.

#### **19.MA.10 AIR QUALITY MONITORING**

The Committee was supplied with a brief update report relating to air quality monitoring following a previous report to the meeting.

Members noted that KBC had been influencing and encouraging the County Council to examine junction improvements in the town. NCC had agreed to look at modelling work regarding traffic flows and the impact of those on air quality. Modelling work would take place during the summer with findings brought back to Committee later in the year as soon as the results became available.

Questions were asked in relation to air quality figures, with discrepancies noted between those published by KBC and those appearing in local media sources. In addition, queries were raised regarding traffic flow modelling being affected as a result of the school holidays and reduced rush hour traffic.

Members requested that further details and explanation needed to be supplied with future air quality monitoring figures.

## **19.MA.11    KEY UPDATES – HOMELESSNESS/VOIDS**

The meeting was provided with a presentation that updated the current position in relation to homelessness and void properties within the Council's housing stock.

### Homelessness

Members noted that all councils in Northamptonshire, with the exception of East Northamptonshire had, and continued to see, a significant increase in homeless applications. Loss of private sector tenancies was the main reason behind the majority of applications, with friends and family not being willing to continue accommodating being the secondary contributor.

Spiralling rents, a lack of affordable housing, the impact of Welfare Reform and a lack of housing-related support was compounding the issue locally and nationally. As a result the use of temporary accommodation had soared and there had been significant increases in the number of rough sleepers in Northampton, Kettering and Corby over the previous three years.

The Council currently had 817 households registered on its Keyways housing system, with 146 new applications arriving each month. Members noted that a previous backlog of over 450 applications had been reduced to just 11 since January.

It was reported that around 20 approaches from homeless households had been seen each week during 2018/19 (although this figure was closer to 25 a week since Christmas 2018), with an average of five placements in temporary accommodation each week. Rough sleeper numbers had risen from just three in 2015/16 to 15 in 2018/19.

The number of households in temporary accommodation was beginning to level off, averaging between 185 and 200 (199 as of that day), although the closure of the Wellington House facility had proved problematic. The Council was utilising more of its own housing stock and acquired properties to reduce its reliance on nightly paid accommodation and very few households were being accommodated outside the Borough.

The meeting heard that as a result of the recent fire on Regent Street, a total of 43 displaced households had been spoken to, with nine being provided temporary accommodation by KBC. There currently remained 23 households displaced and unable to return home.

The Committee went on record to state their grateful thanks for the work of the Housing Team in relation to this incident, as well as praising the work of the Salvation Army, St Andrew's Church and the residents and businesses of Kettering who had donated time, food and clothing to assist families affected by the fire.

Voids

It was reported that since the Housing Team had assumed total responsibility for void properties, performance in returning these properties to the Council's housing stock had improved. A Voids Project Manager was now in place with responsibility for reviewing all aspects of the voids process, with a new management structure in place since August to manage delivery of works which now followed a standardised process. A "lettable standard" had been devised to ensure a consistent final product across void properties, with additional monitoring and reporting systems put in place.

Members heard that the result of these changes had seen void numbers fall from a high of 106 in November 2017 to a current figure of 51. There was an aim to reduce this figure still further to the low 30's.

Members asked questions in relation to street homelessness figures in comparison to Daventry and Wellingborough and the use of Council housing stock for temporary accommodation.

**19.MA.12 KEY PERFORMANCE INFORMATION BOOKLET (A4)**

Members received and noted the Key Performance Information Booklet.

**19.MA.13 WORK PROGRAMME**

The Work Programme was submitted to the Committee for consideration. The following reports would be brought to future committees:-

- Emergency Planning Response
- Electric Car Charging Points
- Voluntary Sector SLA Monitoring
- External Audit Progress Report

(The meeting started at 7.00 pm and ended at 8.52 pm)

Signed .....  
Chair

DJP